

# **INDIAN MANUFACTURING AND PURCHASING**

**State of Montana**

**September 1993**

**A Study conducted by the University of Montana, School of Business Administration through a contract administered by the Montana Department of Transportation, Civil Rights Bureau and funded by the U. S. Department of Transportation, Federal Highway Administration.**

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## ACKNOWLEDGEMENTS

This study could not have been completed without the assistance of many people.

Tim Amen, author, graduate of the University of Montana School of Business has spent many hours in the preparation and completion of this document. His conclusions are meant to elicit thought, change and follow through. Larry Gianchetta, Dean of the School of Business was instrumental in the conception and implementation of the contract and review of this document.

The Coordinator of Indian Affairs Office, notably Kathleen Fleury and Gary Addington has been invaluable in their contributions, insights and commentary.

Earl Fred, Purchasing, Department of Administration, Diane Tordale, Purchasing, Department of Transportation and John Horn, Purchasing, Department of Fish, Wildlife and Parks were not only the "source" of information for purchasing, but their enthusiasm and cooperation for the project made the study possible.

Leonard Smith of the Montana Indian Manufacturing Network has been most helpful in introductions, contacts and technical assistance.

Without the cooperation of the Native American industries and their dedicated staffs, the study would not have been completed. Bob Four Star and Chuck Trinder from A & S Industries, Dustin Magee from Blackfeet Writing Instruments, Inc., Reid Gardiner and Delbert White from Fort Belknap Industries, Inc., Merle Lucas from Great Divide Manufacturing, Rick Nelson from Rocky Boy Manufacturing, Lawrence Hall from S & K Electronics, and Jim Rued and Ron Robertson from West Electronics are but a few of the many that could be mentioned and thanked.

Without the confidence and commitment of the Federal Highway Administration, particularly Merlin Voegele, Montana Division and Teresa Banks, Region VIII Civil Rights Director, and the Montana Department of Transportation, Marvin Dye, Director, funding would not have been possible.

Finally, the help, support and patience of my staff have allowed me the time and privilege of working with many fine people on this project.

Raymond D. Brown, Chief  
Civil Rights Bureau  
Montana Department of Transportation  
September 1993



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## EXECUTIVE SUMMARY

The Montana Department of Transportation and University of Montana School of Business conducted a feasibility study throughout the summer of 1993 in which the facilities, capabilities, management, and interests of reservation manufacturers in Montana were assessed. Raymond D. Brown, Montana Department of Transportation Civil Rights Bureau Chief, requested funding through Merlin Voegele of the Montana Division of the Federal Highway Administration. The study has been made possible by funding through the United States Department of Transportation. The primary goal of this grant was to conduct a feasibility study that matches products that the state purchases from out-of-state vendors with those on-reservation facilities that have the capability and the interest to produce them. This goal could then lead to increased internalization of product procurement, creation of jobs for Indians, and stimulate both state and reservation economies.

**GOAL:        To identify products which the State of Montana purchases from out-of-state vendors that Indian manufacturing facilities could manufacture.**

Additionally, several secondary benefits surfaced throughout the study. For example, a significant improvement in communication and professional relationships between the state and Indian manufacturers was achieved as well as increasing reservation plant management's knowledge of the state's procurement procedures and product needs. A common problem cited by Indian manufacturing management has been not knowing who





to contact or what formal procedures must be taken to be considered as possible vendors. The product matches in this study may or may not produce immediate contracts, however, even if these ideas do not come to fruition, this study will improve the long-term opportunities for the Indian manufacturers. It has expanded the state's knowledge of reservation facilities and potential suppliers for state purchases. A by-product has been the elimination of some misconceptions of Indian manufacturing capabilities. Some common misconceptions of Indian manufacturers include lack of educated management personnel, limited manufacturing capabilities, and poor quality control. Furthermore, these improvements have helped alleviate some of the friction which has existed in tribal and state governmental relations and have opened the doors to a new and prosperous future.

This study will provide analysis into the following areas:

- Indian Manufacturing Capabilities
- Individual Manufacturer Profiles
- Specific Product Matches
- Manufacturer Technical Assistance Needs
- State Responsibilities
- Tribal Government Responsibilities
- Direction for Future Programs
- Directory of State Resources

The manufacturing facilities toured throughout this study include the following:

- A&S Tribal Industries
- Box 308
- Poplar, MT 59255

- Blackfeet Writing Instruments, Inc.
- Blackfeet Industrial Park
- Browning, MT 59417



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Fort Belknap Industries, Inc.  
R.R. 1 Box 84  
Harlem, MT 59526

Great Divide Manufacturing  
P.O. Box 726  
Wolf Point, MT 59201

Rocky Boy Industries  
4040 First Street West  
P.O. Box 1107  
Havre, MT 59501

S&K Electronics  
53347 Hwy 93  
Ronan, MT 59864

West Electronics  
P.O. Box 577  
Fort Peck Industrial Park  
Poplar, MT 59255



## INDIAN MANUFACTURING CAPABILITIES/STRENGTHS

Indian Manufacturing firms in Montana offer a wide variety of manufacturing capabilities and products.

### **CAPABILITIES AND RELATED PRODUCTS:**

Primary manufacturing capabilities can be categorized as metal stamping and fabrication, steel fabrication, plastic and rubber mold injections, cut and sew operations, and electronics.

#### METAL STAMPING AND FABRICATION

1. A&S Tribal Industries (Deep Draw Medicine Chest)
2. Fort Belknap Industries (Volcano Mine Components)

#### STEEL FABRICATION

1. Rocky Boy Manufacturing (Steel Framework for  
Buildings, Bridges, Large  
Refuse Containers)

#### PLASTIC AND RUBBER MOLD INJECTIONS

1. Fort Belknap Industries (Volcano Mine Components)

#### CUT AND SEW OPERATIONS

1. A&S Tribal Industries (Polyester Netting)
2. Great Divide Manufacturing (Military Ammunition  
Pouches)

#### ELECTRONICS

1. S&K Electronics (Armored Vehicle Filtration System)
2. West Electronics (Military Intrusion Detection  
System)



Although manufacturing capabilities have been an important variable for analysis in this study, it also takes great consideration of the interest levels of management. Management is generally interested in manufacturing products for the state. However, it became clear that Indian manufacturers were tentative, due to a lack of knowledge regarding necessary procedures while conducting business with the state. This study, as well as future follow-up projects, will help alleviate this problem in order that interest levels of management escalate.

The following will give brief profiles of each manufacturer participating in the study. The profile will include major capabilities, current products, equipment, plant size, number of employees, location, and the names of key management contacts.





## INDIVIDUAL MANUFACTURER PROFILES

### A&S TRIBAL INDUSTRIES

A&S Tribal Industries is the largest industrial manufacturing employer in Montana. In the past the facility has averaged 500 employees. Primary capabilities include metal stamping and fabrication on a mass production basis, polyester netting production, a wide variety of cut and sew operations, painting, and chemical conversion coating. A&S is currently producing military medical chests, ice cream dispensers, polyester netting, and a new ceramic oven.

Equipment:   \* 43 Presses (Single & Double Acting,  
                  Mechanical & Hydraulic Ranging From 20 Ton  
                  to 525 Ton)  
              \* 4 Spot Welders  
              \* 1 Butt Welder  
              \* 2 Sanders, Arc Welders  
              \* 2 Plasma Cutters  
              \* 1 Urethane Foam Machine  
              \* 1 High Temperature Pressure Washer  
              \* 3 Mechanical Washers  
              \* 1 Annealing Oven  
              \* 1 Deburring Tumbler  
              \* Drill Presses, Lathes, Milling Machines,  
                  Surface Grinders  
              \* Tensile Testers  
              \* Paint Thickness Testers  
              \* Measuring and Gauging Pieces  
              \* Smelter Furnace  
              \* 10 Forklifts to 16,000 pounds  
              \* 20 Ton Computer Numerically Controlled  
                  Rotary Head Punch Press  
              \* NC Bending Machine  
              \* Stamping and Drawing Process  
              \* 3 Netting Machines  
              \* 49 Sewing Machines  
              \* Multiple-Angles Ribbon Cutting and Printing  
                  Machines  
              \* Edgeward Measuring Cutoff Machine

Facility :   195,000 square feet

Employees: approximately 120 (Summer -1993)

Location :   Box 308

              Poplar, MT 59255

              (406) 768-5151

Contacts :   William H. Neulman, Director of Operations

              "Bob" Four Star, Marketing Representative

              Chuck Trinder, Marketing Representative



## BLACKFEET WRITING INSTRUMENTS, INC

Blackfeet Writing Instruments, founded in 1972, manufactures 15 different varieties of custom imprinted pens, pencils and markers in 29 different colors. The facility markets its products in all fifty states to office supply businesses and to a majority of the Fortune 500 corporations.

Equipment:   \* 5 Lathes  
              \* 3 Grinders, Tool, Bench, Surface  
              \* Rockweld Press  
              \* Carolina Hydraulic Press  
              \* Belt Grinder/Sander  
              \* Tool/Cutter Grinder  
              \* Groover Machine  
              \* Lead Laying Machine  
              \* Shaping Machine  
              \* 4 Painting Machines  
              \* 5 Imprinters  
              \* Roll-On Printer  
              \* Stick Pen Printer  
              \* Barrel Shaper  
              \* Write-Out Testing Machine  
              \* 4 Assembly Machines  
              \* Packaging Box Printer  
              \* Packaging Machine  
              \* 3 Back Drillers  
              \* 3 Point Machines

Facility :   40,000 square feet

Employees:   24

Location :   P.O. Box 729  
              Blackfeet Industrial Park  
              Browning, MT 59417  
              (406) 338-2535

Contact   :   Dustin Magee, Sales Manager



## FORT BELKNAP INDUSTRIES, INC

Fort Belknap Industries is the only manufacturer specialized in plastic and rubber molding. In addition, Fort Belknap also has substantial capabilities in metal fabrication and electrical assembly. Management has expertise in thermoplastics, metal fabrication and stamping, custom molded elastomers, engineering plastics, metrology, electrical assembly, and technical and logistics support documentation. Fort Belknap is currently producing volcano mine system components for the military and percussion drums.

Equipment: \* Brown & Sharpe Coordinage Measuring Machine  
With Micromeasure 3 3D Software  
\* J&L Optical Comparitor Classic 14 F With  
Quadra-Chek 2000 DRO  
\* 20" Digital Height Gauge  
\* Full Range of Phase II Gauge Pins  
\* Larson Spring Tester  
\* Instron Tensile Tester  
\* Niagara A5 113 Ton Punch Press  
\* Niagara A45 45 Ton Punch Press  
\* Miller Spot Welder  
\* Sonobound Sureweld Sonic Welder  
\* Cincinnati Cinel Horizontal Mill  
\* National Shear  
\* Sandblaster  
\* 125 Ton Plastic Injection Presses  
\* 175 Ton Plastic Injection Press  
\* Wire welder  
\* NRM Hot Oil Heater  
\* Paint Booth With Self-Contained Breathing  
Apparatus

Facility : 20,000 square feet

Employees: 25

Location : R.R. 1 Box 84  
Harlem, MT 59526  
(406) 353-4801

Contacts : Reid Gardiner, Production Manager  
Delbert White, Production Manager  
Donald Longknife, Procurement Manager



## GREAT DIVIDE MANUFACTURING

WPCO'S Great Divide Manufacturing, 100% Indian owned and operated, is a small facility in Wolf Point, Montana. Great Divide's primary capabilities include simple cut and sew operations; paper, fiberboard, and high density polyethylene stamping, pressing, embossing; and silkscreening. Its current products include silhouette targets, automotive splash guards, customized mud flaps, and military magazine pockets.

Equipment:   \* 60 Ton Herman Schabe Die Press  
              \* Embossing Machine and Dies  
              \* Compressor and Hose  
              \* 12 Target and Splash Guard Dies and Die Cutter  
              \* Silkscreen Table  
              \* Pallet Jack  
              \* Forklift Yale 6,000 pound with Shifter  
              \* 3 Bag Sealers  
              \* 5 Sewing Machines  
              \* Snap Setting Foot Press

Facility :   7,500 square feet

Employees:   2

Location :   P.O. Box 726  
              Wolf Point, MT 59201  
              (406) 653-3476

Contact :   Merle Lucas, Chief Executive Officer





## ROCKY BOY INDUSTRIES

Rocky Boy Industries is the lone Indian heavy metal fabricator. Primary capabilities include bridge construction, framework for large buildings, and a wide variety of metal fabrication with less degree of complexity. Currently, Rocky Boy is producing large refuse containers and steel framework for buildings. Rocky Boy Industries has the capability and flexibility to manufacture many types of products with minimal investment and set-up time.

Equipment:   \* 15 Mig Welders  
              \* 2 Spot Welders  
              \* Plasma Cutter  
              \* Heath MCD1010 Four Head Shape Cutter  
              \* 12' Cincinnati 4H12 Shear  
              \* 14' Cincinnati 350CB Brake  
              \* 6' Rolling Machine  
              \* Mubea 88.6 Ton Iron Worker  
              \* Hawethorne Ironworker  
              \* Radial Arm Drill  
              \* Horizontal Boring Machine  
              \* Cincinnati Horizontal Mill  
              \* 100 Ton Hydraulic Press  
              \* Kalamazoo Band Saw  
              \* Dayton Belt Sander  
              \* Bench Lathe  
              \* Medium Lathe  
              \* 3, 5 Ton Overhead Cranes  
              \* 5, 1 Ton Overhead Cranes  
              \* Full Bay Painting Area  
              \* Clark Fork Lift  
              \* Allis-Chalmers Fork Lift  
              \* 2 Continuous Use Compressors  
              \* Sun Workstation CAD Computer With AutoCAD Software

Facility : 35,000 square feet

Employees: 11 factory workers

Location : 4040 First Street West

P.O. Box 1107

Havre, MT 59501

(406) 265-7560

Contact : Rick Nelson, Chief Executive Officer



## **S&K ELECTRONICS**

S&K Electronics is a build-to-print manufacturing facility specializing in electronic assembly, electro-mechanical assembly, and cable assembly. S&K products include a filtration system for military armored vehicles, interface assembly, voltage regulator, drive control assembly, power control unit, and various cable assemblies. S&K Electronics prides itself on the highest quality products and services possible.

Equipment: S&K Electronics has the standard wire cutters and wave soldering equipment. As this facility is primarily an assembly operation, its human resources are the greatest assets.

Facility : 13,000 square feet

Employees: 40

Location : 53347 Hwy 93  
Ronan, MT 59864  
(406) 883-6241

Contact : Lawrence Hall, President and General Manager



## WEST ELECTRONICS, INC

West Electronics, established in 1970, is a quality manufacturer of electronic products and systems produced to meet customer specifications. Primary capabilities lie in electronic assembly. Currently, West Electronics is producing an anti-intrusion system designed for the U.S. military.

Equipment:   \* Automatic Dip Insertion Equipment  
              \* Semi-Automatic Component Insertion Equipment  
              \* Ultramodern Wave Soldering and Aqueous Cleaning Equipment  
              \* Automated High-Speed Wire Cutting, Stripping, and Lugging Machinery  
              \* Modern Wire Tinning Equipment  
              \* IEEE-488 Instrumentation  
              \* 286/386 Computer Network

Facility :   15,000 square feet

Employees:   9

Location :   P.O. Box 577  
              Fort Peck Industrial Park  
              Poplar, MT 59255  
              (406) 768-5511

Contact    :   Jim Rued, General Manager  
              Ron Robertson, Chief Engineer



## PRODUCT MATCHES/RECOMMENDATIONS

The primary objective in this study is to match state purchasing needs with capabilities and interests of the Indian manufacturing facilities. As the study progressed it became clear that the manufacturers could indeed produce a multitude of products for the state. This became clear for two reasons. First, prior to this study, state agencies were not aware of the current capabilities of the manufacturers. Second, according to production capacity estimates, the manufacturers are in need of additional contracts. Manufacturers are running far below full production capacity. According to "The Native American Competitiveness Initiative", February 1993, A&S Tribal Industries was running at 40% capacity, Blackfeet Writing Instruments at 30%, Fort Belknap Industries at 80%, Great Divide Manufacturing at 40%, Rocky Boy Manufacturing at 40%, and West Electronics at 33%. Therefore, with the availability of production capacities and capabilities the Indian manufacturers are ideal candidates for contract opportunities with the State of Montana. This study will present several product matches for each major participant in this process. Decisions on the products listed should not be determined only with the information this study provides.

In the early stages of this study a detailed analysis of each product seemed to be a suitable match. Taking several factors into consideration, it is prudent to introduce the product and its volume in dollars to each manufacturer. The figures reflect 1992 usage. Each manufacturer may contact the appropriate purchasing agent. This will promote manufacturer familiarity with the state procurement system, begin the development of





professional relationships with purchasing agents, and open the dialogue between the state and manufacturers for new opportunities. Each purchasing agent and director are genuinely interested, excited, and open to the idea of internalizing increased portions of purchasing to Indian manufacturers.

**The future of this process depends upon proper follow-up on the part of the manufacturers and the State of Montana for development of these ideas into actual future contracts.**

All ideas introduced are products that Indian manufacturing facilities already have current capability to produce or products that will require only minor capital investment and changes in industrial set-up. It should be stressed that these products need to be analyzed not only for their current feasibility but also giving careful examination of their future potential. Some products may have limited potential in the State of Montana, however, when the market boundaries are expanded the potential may be quite significant. Some manufacturers were skeptical during or even before reviewing the product volume in dollars and units. The skepticism often escalates when management decides that one product match alone will not accommodate enough of their production capacity. Skepticism needs to be put to rest until all variables are examined thoroughly. The products listed are those that are specific interests of the manufacturers, results of a brainstorming session that included various state purchasing agents, or ideas that have surfaced through dialogue throughout the summer. The products are listed in their order of significance, and listed order of their greatest potential.



**A&S INDUSTRIES**

**PRODUCT**

**VOLUME IN DOLLARS**

**1. HIGHWAY SIGN BLANKS**

**\$98,318**

The Department of Transportation purchases a significant amount of highway sign blanks each year. The blanks have a wide variety of sizes and shapes. Specific information may be obtained from the Department of Transportation. This is a product that has vast potential when the market is expanded to the entire northwest region or possibly the United States as a whole.

**2. REFLECTORS**

**\$ 2,565**

The Department of Transportation purchases aluminum delineators (reflectors) on an as needed basis. The figure of \$2,565 reflects the last purchase order as of 08/09/93. Throughout the terms of contract, the successful bidder will be supplied with the necessary fabrication dies supplied by the Department of Transportation.

**3. COATS**

**\$35,851**

The Department of Fish and Game purchases several varieties of coats on a yearly basis.

Coat, Winter Warden	\$ 3,993
Coat, Carhartt Brow	\$ 3,060
Coat, Summer W/Liner	\$ 847
Coat, Vests	\$ 8,533
Coat, Warden Short	\$ 363
Coat, Winter Vest	\$ 7,700
Coat, Parkas	\$ 1,155
Coat, Summer Coats	\$10,200

**4. SAFETY VESTS (TWO STYLES)**

**\$20,017**

The Department of Transportation purchases two types of safety vests each year. The first is the typical safety vest which as of the last contract valued at \$6.25 per unit, and the adopt-a-highway safety vest at \$1.94 per unit.

Traditional Safety Vest	\$ 5,826
Adopt-A-Highway Vest	\$14,191



5. **CAPS** **\$16,538**

The Department of Transportation and Department of Fish and Game purchases different styles of caps each year.

Department of Transportation

Caps, Winter Baseball      \$ 1,952

Caps, Summer Baseball      \$ 3,292

Department of Fish and Game

Caps, Scotch                      \$ 2,244

Caps, Park Blue                \$ 5,750

Caps, Mesh                        \$ 3,300

6. **FIRST-AID KITS** **\$18,564**

The Department of Transportation purchases cabinet size and portable size first-aid kits.

Cabinet Kit                      \$ 127.19

Portable Kit                      \$ 20.80

7. **CANVAS SAMPLE BAGS** **\$23,559**

The Department of Transportation purchases canvas sample bags in bulk. The figure above represents a purchase to supply the years 1991-1993. The bags are used for gravel samples. Cost per unit is \$1.96.

8. **GILL NETS** **\$7,718**

The Department of Fish and Game purchases different styles of netting depending on the task.

**BLACKFEET WRITING INSTRUMENTS**

1. **PENCILS, NO. TWO, FIRST QUALITY** **\$2,228**

The Property and Supply Bureau has purchased 4,285 units in 1993 alone. This is a basic product that Blackfeet Writing Instruments can be competitive. Property and supply also purchases a wide range of other office supplies. Due to the wide variety of purchases further investigation is necessary.



## FORT BELKNAP INDUSTRIES

### 1. REFLECTORS \$2,565

As previously stated, the Department of Transportation purchases delineators on an as-needed basis. The availability of the fabrication dies makes this an interesting opportunity for Fort Belknap Industries. Again, markets outside of Montana should also be considered.

### 2. EAR TAGS \$6,128

The Department of Fish and Game currently purchases certain types of ear tags. This product, although fairly low in volume, matches a strength of Fort Belknap as well as having related markets to expand towards.

### 3. FIRST-AID KITS \$18,564

Department of Transportation purchases two sizes of first-aid kits.

Cabinet Kit	\$ 127.19
Portable Kit	\$ 20.80

### 4. POLYPROPYLENE CONTAINERS \$5,084

The Department of Transportation purchases 32 ounce polypropylene containers used for asphalt samples on an annual basis.

## GREAT DIVIDE MANUFACTURING

### 1. CAPS \$16,538

The Department of Transportation and Department of Fish and Game purchase different styles of caps each year.

Department of Transportation

Caps, Winter Baseball	\$ 1,952
Caps, Summer Baseball	\$ 3,292

Department of Fish and Game

Caps, Scotch	\$ 2,244
Caps, Park Blue	\$ 5,750
Caps, Mesh	\$ 3,300





2. SAFETY VESTS (TWO STYLES) \$20,017

Traditional Safety Vest \$ 5,826--\$6.25 per unit  
Adopt-a-Highway Vest \$14,191--\$1.91 per unit

3. COATS \$35,851

The Department of Fish and Game purchases several varieties of coats on a yearly basis.

Coat, Winter Warden	\$ 3,993
Coat, Carhartt Brow	\$ 3,060
Coat, Summer W/Liner	\$ 847
Coat, Vests	\$ 8,533
Coat, Warden Short	\$ 363
Coat, Winter Vest	\$ 7,700
Coat, Parkas	\$ 1,155
Coat, Summer Coats	\$10,200

4. CANVAS SAMPLE BAGS \$23,559

The Department of Transportation purchases canvas sample bags in bulk. The figure above represents a purchase to supply the years 1991-1993. The bags are used for gravel samples. Per unit cost is \$1.96.

ROCKY BOY INDUSTRIES

1. UTILITY TRAILERS \$20,096

The Department of Fish and Game purchases, on an as-needed basis, three varieties of utility trailers. This would be a simple built to specifications process.

Trailer, Utility	\$ 9,000
Trailer, 2000	\$ 9,096
Trailer, Bear Trap	\$ 2,000

2. PICNIC TABLES \$18,460

A significant number of picnic tables are purchased each year for parks by the Department of Fish and Game. Although not specifically a steel fabrication product, Rocky Boy's flexibility will allow for opportunities in other areas such as picnic table manufacturing on an as-needed basis.



3. **FIRE RINGS (CAMPGROUND BARBECUES)** **\$6,194**

The Department of Fish and Game purchases barbecues for campgrounds and parks on an as-needed basis.

4. **REAR BUMPERS & GRILL GUARDS** **\$9,300**

The Department of Fish and Game purchases rear bumpers and grill guards for its vehicles on an as-needed basis. These items are a direct match with Rocky Boy capabilities. An excellent "on the side" project.

5. **PRE-FABRICATED PICNIC SHELTERS** **\$4,130**

The Department of Fish and Game purchases picnic shelters that simply need on-site assembly. This is another product that is not necessarily a direct match for Rocky Boy's capabilities. However, after further product analysis this may be another ideal side contract.

These are the primary product matches that have surfaced throughout the study. Unfortunately, S&K Electronics and West Electronics are so specialized that feasible direct product matches were not found. However, this does not imply that opportunity does not exist with the state of Montana. For example, West Electronics could begin a thorough analysis of the electronic testing market, i.e., gaming machinery.

As previously stated, decisions concerning the product matches should not be listed using only the information given. Final decisions should only be made following proper analysis of the immediate market potential, market opportunities, market boundary limits, competitive analysis of facility and product, and long-term market opportunities. The product matches and information provided will act as a starting point with state purchasing agents and will also act as a catalyst for new ideas in the future.



## MANUFACTURING TECHNICAL ASSISTANCE NEEDS

Indian manufacturers have ample capabilities as a whole as well as individually. However, there are several areas that continue to discourage growth and profitability:

Indian manufacturers appear to need technical assistance in several of the following areas:

- a. Extensive External Appraisal
  - 1. Customer needs compared to manufacturer products offered.
  - 2. Potential market segments and market opportunity.
  - 3. Analysis of current market share and potential market share.
  - 4. Extensive competitor analysis concerning related products and facilities.
  - 5. Analysis of manufacturer reputation. What are the reasons for the current reputation.
  - 6. Status and relationship with Tribal governments.
- b. Extensive Internal Appraisal
  - 1. Analysis of current products manufactured.
  - 2. Structure and establishment of marketing and sales plan.
  - 3. Analysis of available resources.
  - 4. Complete examination of facility strengths and limitations.
- c. Implementation of Marketing Plan and Sales Plans.
- d. Training and implementation of quality control procedures.

There has been little, and in some circumstances, no advertising and promotional efforts by individual manufacturers. Understandably, this is difficult with the limited resources that many facilities operate with. **However, marketing capabilities, interests, and products should be the highest priority at this time.** A continued lack of marketing efforts will only compound the problems that manufacturers now have.



Appropriate follow-up is needed. There are cases where manufacturers are sincerely interested in ideas and opportunities and do an acceptable job in being persistent and following these ideas through until all avenues have been exhausted. However, follow-up has been inconsistent. Lack of adequate follow-up, almost always precedes the eventual loss of opportunity. Follow-up and marketing strategies will not be overly difficult problems to solve given appropriate consideration.

Continued discussions are necessary to remove doubt and reluctance are also a need that must be addressed. Flexibility in operations as well as state-of-mind must be a priority. Flexibility in operations simply suggests the capability to produce more than a single product. Flexibility in the state-of-mind implies being open to new ideas and opportunities. This combination in flexibility will undoubtedly result in an increase in future business as a greater range of products and opportunities may be analyzed.

The issue of quality control cannot be over-emphasized. Generally, quality is not considered a problem, however, there are isolated cases where lack of quality control has jeopardized both profitability and reputation. Incidents of poor quality and performance will damage the entire Indian manufacturing group in addition to the individual manufacturer. This will continue until quality control is a priority.

Efforts should be focused on activities that are action oriented. Action oriented means education, quality control procedures, market strategy and acquisition, and advertising and sales promotion and other related topics that are in need of attention throughout the





manufacturing group. The manufacturers are at the stage where they know what they are capable of doing, have proven these capabilities in various contracts, and are ready to enter the private sector on an exclusive basis. In-depth technical assistance is now necessary to move from study to implementation of external analysis, internal analysis, marketing plan, and sales plan.



## STATE RESPONSIBILITIES

The government of Montana has an obligation to represent and serve all the residents of Montana. The state, in its procurement procedures, needs to take a more active and aggressive role in providing equal opportunities for all manufacturers.

The state also needs to be more aggressive in identifying, informing, and utilizing in-state businesses and resources. This increased aggressiveness will stimulate state and local economies, create greater stability in Montana's small business and manufacturing base, and create jobs.

The state must improve communication and coordination with each state agency when it considers studies or programs with the Indian manufacturers. These improvements will reduce duplication of previous programs and give each following program an information base to work with.

Furthermore, the State of Montana should put a premium on the utilization of Montana based manufacturing facilities. Currently, there is a 3% in-state vendors preference, and a 5% preference for in-state manufacturers. The state should consider raising these two preferences. For example, to put a premium on Made-In-Montana products, the in-state vendor preference could be increased to 6% and the manufacturing preference increased to 10%, which would put a premium on Montana made products.



### TRIBAL GOVERNMENT RESPONSIBILITIES

The tribal governments have responsibilities for each tribal member as well as each tribal sponsored manufacturer. Indian manufacturers need the autonomy to make decisions. The manufacturers are competing with all other businesses in the free-market, therefore, they must be managed as a business and not as an extension of government. Facilities that lack proper autonomy traditionally suffer from poor quality control, low employee moral, limitations in profitability, and restrictions on employee hiring and dismissal. Tribal governments may still remain involved with the manufacturers, however, management must have the authority to make all of the day to day decisions that arise. This arrangement may be accommodated with the implementation of an oversight board. Tribal government could select individuals appropriate for this board. Management would then report each month to the oversight board which would ensure accountability by management. Furthermore, these boards would not have any authority in the day to day decision making processes of management. The boards would, however, assure goals are being met by management. Problems will continue to restrict growth and possibilities of success if arms-length posture from tribal politics is not maintained.

Tribal governments must continue to be supportive of their manufacturing enterprises while they are establishing themselves in the community and the market. This support could come in the forms of capital investment and acquisition of the necessary technical and



consultative support. Technical support should include each item previously discussed, i.e., external assessment, internal assessment, sales and marketing plans, and quality control.





## DIRECTIONS FOR FUTURE PROGRAMS

This study has identified several direct product matches for specific manufacturing facilities, developed professional relationships, and increased communication between the state agencies and Indian management. In addition, Indian manufacturers have a better feel for state purchasing procedures and state agencies know more about the specific capabilities of each facility. This study has simply opened the doors for future opportunity.

The results of this study are not enough to ensure increased business between the state and manufacturers. Initiative needs to be taken by manufacturing as well as the state. Without proper follow-up by both the state and the manufacturers, everything gained through this study is in danger of being lost. The following lists items that should become a priority for the state and each individual manufacturer.

### STATE PRIORITIES:

- A. Continue providing direct product/capability matches for each reservation facility.
- B. Implement programs of action.
  - 1. Increase in-state manufacturing and vendor preference percentages.
  - 2. Regularly follow-up ideas with manufacturers not allowing a loss of momentum.
  - 3. Establish education and training sessions for each facility concerning state needs and purchasing procedures.
- C. Schedule frequent communication round-table sessions for state employees and Indian manufacturers.



- D. As necessary, seek out consultation regarding multi-cultural communication and briefings regarding Native culture to further reduce common misconceptions and increase opportunities for positive working relationships.

MANUFACTURER PRIORITIES:

- A. Consider the results of this study. Give appropriate analysis to each product match.
- B. Follow-up each opportunity exhausting every possible opportunity.
- C. Set specific goals of action.
  - 1. Assess manufacturer and tribal government relationship. Communicate areas of concern.
  - 2. Develop individual marketing strategies.
  - 3. Take the initiative in maintaining lines of communication with each state agency relative to purchasing.
- D. Each Indian manufacturer should be given equal consideration.
- E. Quality control needs to be a priority.
- F. Have confidence in proven capabilities to manufacture needed products and join the open marketplace as strong competitors.
- G. Acknowledge past successes in meeting contracts and begin to professionalize the manufacturing atmosphere, thereby increasing management and employee confidence and self-esteem.
- H. Seek out technical assistance or consultation regarding areas of uncertainty or gaps in knowledge as necessary. Successful businesses maintain excellence by knowing where to find answers, not by trying to know all the answers themselves. Tribal colleges and consultants as well as state employees are excellent resources.



## STATE DIRECTORY

A common problem cited throughout the study by manufacturers concerned not knowing the proper people or department to call. In addition, manufacturers have had questions on any initial procedures that are necessary. Any questions concerning product matches or other related items may be answered by calling one of the purchasing agents listed. They will refer the manufacturer to the proper resource if necessary.

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Tordale, Diane  
Montana Dept. of Transportation  
Chief, Purchasing Services Bureau  
(406) 444-6365



## INITIAL PROCEDURES

1. Complete the state of Montana bidder affidavit located in the State of Montana Vendor Manual. Send this completed affidavit to the following address:

Department of Administration  
Purchasing Bureau  
Room 165, Mitchell Building  
Helena, MT 59620-0135

2. Send a letter to the specific agency notifying that you have sent in the state of Montana bidder affidavit. State which vendor lists you wish to be included.
3. Call the purchasing agent from the appropriate agency if you have any questions regarding procedure.







**Montana Department of Transportation  
Civil Rights Bureau Publication  
2701 Prospect Ave.  
P O Box 201001  
Helena, MT 59620-1001**

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100 copies of this Public Document  
were published at an estimated cost  
of \$.44¢ per copy for a total cost  
of \$ 44.25 , which includes \$ 44.25  
for printing and \$ none for distri-  
bution.